

YAZOO COUNTY MISSISSIPPI

COMPLIANCE REPORT

Special Reports

For the year ended *September 30, 2018*

SHAD WHITE

State Auditor

Stephanie C. Palmertree, CPA, CGMA

Director, *Financial and Compliance Audit Division*

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YAZOO COUNTY

TABLE OF CONTENTS

SPECIAL REPORTS.....	4
Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by <i>Section 31-7-115, Mississippi Code Annotated (1972)</i>).....	5
Limited Internal Control and Compliance Review Management Report.....	12

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YAZOO COUNTY

SPECIAL REPORTS



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR**

Shad White
AUDITOR

July 28, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE ANNOTATED (1972))**

Members of the Board of Supervisors
Yazoo County, Mississippi

We have examined Yazoo County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code Annotated (1972)* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)* during the year ended September 30, 2018. The Board of Supervisors of Yazoo County, Mississippi is responsible for the County's compliance with those requirements.

Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Yazoo County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our examination procedures disclosed certain instances of noncompliance with the aforementioned code sections. Our findings and recommendations and your responses are disclosed below:

Board of Supervisors.

Finding 1: Public Officials Should Ensure Compliance with State Laws over Travel Expenditures.

Applicable State Law: *Section 19-3-68, Mississippi Code Annotated (1972)*, states, "The Board of Supervisors of any county may acquire one or more credit cards which may be used by members of the Board of Supervisors and county employees to pay expenses incurred by them when traveling in or out of the state in the performance of their

official duties. The Chancery Clerk or County Purchase Clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The Supervisors and county employees shall furnish receipts for the use of such credit cards each month to the Chancery Clerk or Purchase Clerk who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the County in the same manner as other items on the claims docket.”

Finding Detail: During testwork of five (5) credit card expenditures, we noted the following exceptions:

- An itemized list of expenses and use of the credit card for the month was not presented to the Board of Supervisors to be included in the claims docket; and
- All five (5) credit card expenditures tested, totaling \$2,326, were for expenses not approved by approved travel.

Failure to follow state law could lead to unauthorized purchases and un-allowed expenditures.

Recommendation: The Board of Supervisors should strengthen controls to ensure an itemized list of credit card expenditures are submitted to the Board of Supervisors monthly, and all credit card expenses are for Board approved travel.

Official Response: We were not aware that an itemized list was to be submitted to the Board of Supervisors. We will comply.

Finding 2. Public Officials Should Ensure Compliance with State Law over Purchasing Schedules.

Applicable State Law: *Section 31-7-115, Mississippi Code Annotated (1972)*, requires the audit report to include a schedule of purchases not made from the lowest bidder, a schedule of emergency purchases, and a schedule of purchases made noncompetitively from a sole source.

Finding Detail: During testwork, Auditors noted that the Purchase Clerk did not maintain and prepare the County’s required purchase schedules for the fiscal year 2018. Failure to prepare the annual purchase schedules resulted in a violation of state purchasing laws.

Recommendation: The Board of Supervisors should strengthen controls to ensure the purchase schedules are prepared and maintained annually, as required by state law.

Official Response: The Clerk was not aware that a scheduled list of special purchases was needed. We will comply.

Repeat Finding: No.

Finding 3. Public Officials Should Strengthen Internal Controls over Credit Cards.

Internal Control Deficiency: An effective system of internal controls should include a written policy over the use of credit cards.

Finding Detail: During testing of credit card expenditures, Auditors noted that the County does not have a written credit card policy. Without a written credit card policy, there are no guidelines or procedures to follow regarding the use of the credit card, which could result in an improper use..

Recommendation: The Board of Supervisors should implement a written policy for the use of the credit card.

Official Response: We were not aware that the credit card was to be used for travel only. We will comply.

Repeat Finding: No.

Finding 4: Public Officials Should Ensure Compliance with State Law over Central Purchasing.

Applicable State Laws: *Section 31-7-101, Mississippi Code Annotated (1972)*, states, "...The Receiving Clerk and his assistants shall be solely responsible for accepting the delivery of all equipment, heavy equipment, machinery, supplies, commodities, materials and services purchased by the County... The Purchase Clerk shall disapprove any purchase requisitions which, in his opinion, are not in compliance with the purchasing laws of the state."

Section 31-7-113, Mississippi Code Annotated (1972), states, "The State Department of Audit, under the authority of *Section 7-7-211*, shall design and prescribe the form of the inventory to be made, the form of the purchase requisition, the form of the purchase order, the form of the receiving report; prescribe systems of filing and prescribe the system of records necessary for the maintenance of a central purchase system, receiving system and an inventory control system; and shall promulgate and prescribe such other documentation, procedures and regulations necessary for the efficient maintenance of such systems."

Finding Detail: As a result of procedures performed, the Auditors noted the following exceptions:

- One instance in which the receiving report was signed by unauthorized personnel; and
- Eleven (11) instances where invoices were dated before the approval of the purchase order.

Failure to have the receiving reports signed by authorized personnel and purchase orders approved prior to incurring expenses could lead to fraud or misappropriation of funds.

Recommendation: The Board of Supervisors should strengthen controls to ensure receiving reports are signed by authorized personnel, and purchase orders are approved before expenses are incurred for services rendered.

Official Response: The maintenance person orders items to come directly to the facility. He also signs for the items.

Repeat Finding: No.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system.

Yazoo County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended for use in evaluating Yazoo County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



STEPHANIE C. PALMERTREE, CPA, CGMA
Director, Financial and Compliance Audit
Office of the State Auditor

Yazoo County
Schedule of Purchases Not Made from the Lowest Bidder
For the Year Ended September 30, 2018

Schedule 1

Our tests did not identify any purchases not made from the lowest bidder.

Yazoo County
Schedule of Emergency Purchases
For the Year Ended September 30, 2018

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
12/14/2017	Computer Server Upgrade	\$49,461	HiComp	The County's server crashed and was no longer operational. Also, the County Administrator's office could not conduct any of its day to day operations which are computer based, including processing of employee payroll until the server was replaced.
1/22/2018	Door lock and intercom system	\$ 2,550	Cornerstone Detention Products	The inability of the door lock and intercom systems at the Youth Detention Center to function constituted a significant risk to the health and safety of the inmates, staff, and to the general public.

Yazoo County

Schedule 3

Schedule of Purchases Made Noncompetitively from a Sole Source

For the Year Ended September 30, 2018

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
6/5/2018	Tasers	\$ 6,500	Axon Enterprise, Inc.



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White
AUDITOR

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Yazoo County, Mississippi

In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions to ensure compliance with legal requirements. The scope of our review covered Fiscal Year 2018.

We have performed some additional limited internal control and state legal compliance review procedures, as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Board of Supervisors.

Finding 1: Public Officials Should Ensure Compliance with State Law over the Four-Year Road Plan.

Applicable State Law: *Section 65-7-117, Mississippi Code Annotated (1972)*, states, "Each member of the board of supervisors shall inspect every road, bridge, and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges, and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years."

Finding Detail: During our review of the official board minutes, Auditors noted that the Four-Year Road plan was not updated and spread upon the board minutes. Failure to adopt a Four-Year Road Plan could result in the lack of funding for road and bridge maintenance.

Recommendation: The Board of Supervisors strengthen controls to inspect all roads, bridges, and ferries in each district and adopt a Four-Year Road plan annually, as required by state law.

Official Response: We will comply with all findings.

Repeat Finding: No.

Finding 2: Public Officials Should Ensure Compliance with State Law over County Depositories.

Applicable State Law: *Section 27-105-303, Mississippi Code Annotated (1972)*, requires all County funds to be on deposit in a Board-approved depository.

Finding Detail: As a result of procedures performed, Auditors noted all County's funds were not deposited into a Board-approved depository for 2018. Failure to ensure all County funds are in board approved depositories could result in the loss or misappropriation of public funds.

Recommendation: The Board of Supervisors should strengthen controls to ensure all County funds are deposited in a Board-approved depository as required by state law.

Official Response: We will comply with all findings.

Repeat Finding: No.

Board of Supervisors, Chancery Clerk, Circuit Clerk, and Sheriff.

Finding 3: Public Officials' Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Laws: *Section 25-1-15, Mississippi Code Annotated (1972)*, states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee." Surety bonds are purchased in case of negligent errors and omission in the course of county employees performing their duties. In order for these bonds to cover these errors and omissions, there must be a recertification of each personnel every four (4) years.

Section 25-1-19(1), Mississippi Code Annotated (1972), states, "... All the bonds shall be filed and recorded in the office of the Clerk of the Chancery Court of the County, except that the original of the Chancery Clerk's bond, after it is recorded, shall be deposited and filed in the office of the Clerk of the Circuit Court."

Finding Detail: As a result of testwork, the following exceptions noted:

- One Supervisor had a "Continuation Certificate";
- The Chancery Clerk did not file the surety bond with the Circuit Clerk's office;
- The Circuit Clerk had a "Continuation Certificate"; and
- The Sheriff and one Deputy Sheriff had a "Continuation Certificate".

A "Continuation Certificate" is a document that extends the life of the original surety bond. A "Continuation Certificate" only covers the current bonding period rather than both the current and previous periods. Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms.

Recommendation: The Board of Supervisors, Circuit Clerk, Sheriff, and Deputy Sheriff should strengthen controls to ensure that all bonds secured list a term of office covered and that new bonds are secured every four (4) years concurrent with the regular election cycle of the Governor. Additionally, the Chancery Clerk should ensure his/her

original surety bond is filed in the Circuit Clerk's office.

Official Responses:

Board of Supervisors: We will comply with all findings.

Chancery Clerk: Corrections will be made.

Circuit Clerk: I will get the official bond.

Sheriff: I will get with the insurance company to make sure that I have a new bond.

Repeat Finding: No.

Chancery Clerk.

Finding 4: Public Officials Should Strengthen Controls over the Issuance of Receipts for All Transactions.

Internal Control Deficiency: Management is responsible for ensuring that assets of the County are safeguarded, and transactions are properly documented and recorded. A critical aspect of internal controls is the receipting of funds received in the Chancery Clerk's office.

Finding Detail: During the testing of Chancery Clerk's revenue, we noted receipts were not issued for all transactions over ten dollars (\$10). Failure to issue appropriate receipts for all transactions over ten dollars (\$10) could result in the improper recording of transactions, errors, or fraud occurring without being detected promptly.

Recommendation: The Chancery Clerk should ensure to issue receipts for all transactions over ten dollars (\$10).

Official Response: I have a receipt of daily business you don't respect. I have a daily receipt journal itemized numbers that the audit departments do not seem to appreciate.

Auditor Note: Auditors were unable to verify the deposit for receipts because there were no receipts to test. The issuance of receipt warrants must document all cash collections. Receipt warrants should be pre-numbered and accounted for provided space for dated issued, amount of funds received, from whom money was collected, to what funds money was deposited, the purpose of the funds received, and signature of the official who issued the receipt warrant. The receipt warrant must contain copies for the Chancery Clerk and a copy for the person(s) or entity who paid the money.

Repeat Finding: No.

Finding 5: The Chancery Clerk Should Ensure Compliance with State Law over Valid Schedule C Expenses.

Applicable State Law: *Section 9-1-43(1), Mississippi Code Annotated (1972)*, limits the compensation of the Chancery Clerk to \$90,000 after making deductions for employee salaries, related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code for which there is proper supporting documentation. All fees received in excess of this amount, less any allowable expenses, are to be paid to the county's general fund on or before April 15th for the preceding calendar year.

Finding Detail: As a result of the procedures performed, Auditors noted two (2) of fifteen (15) expenditures tested that the Chancery Clerk had given sponsorship/donations to organizations totaling \$200. Per technical assistance guidance from Office of the State Auditor and state law notes, sponsorship/donations are disallowed expenses.

Failure of the Chancery Clerk to deduct valid Schedule C expenditures resulted in the disallowance of expenses for 2018.

Recommendation: The Chancery Clerk should strengthen controls to comply with *Section 9-1-43(1)* and maintain adequate documentation for all expenses on the Annual Financial Report. The Clerk should also amend the Annual Financial Report and reimburse **\$200** to the County.

Official Response: Corrections will be made.

Auditor's Note: As of the issuance of this report, the Chancery Clerk has not reimbursed the County. If the amount remains unpaid within 30 days of the date of this report, the matter will be turned over to the Investigation Division for possible civil demand.

Repeat Finding: No.

Finding 6: Public Officials Should Ensure Compliance with State Law over the Attendance of Board Meeting.

Applicable State Law: *Section 25-7-9(1)(f), Mississippi Code Annotated (1972)*, authorizes payment to the Chancery Clerk in the amount of \$20 each for the Clerk and one (1) deputy for each day's attendance at meetings of the Board of Supervisors.

Finding Detail: During review of the board minutes, Auditors noted neither the Chancery Clerk nor a Deputy Clerk was present for six (6) out of forty-two (42) board meetings in 2018. Additionally, there is documentation in the Board's minutes that a Deputy Clerk was present during the Board of Supervisors meetings with the Chancery Clerk.

Failure to ensure Chancery Clerk and Deputy Clerk is present during board meetings resulted in the Chancery Clerk being overpaid \$720 in 2018 for attending board meetings.

Recommendation: The Chancery Clerk strengthen controls to ensure to only receive payments for Board of Supervisors meetings attended and ensure the attendance of the Deputy Clerks are appropriately documented in the Board minutes. Also, the Chancery Clerk should reimburse the **\$720** to the County.

Official Response: Corrections will be made.

Auditor's Note: As of the issuance of this report, the Chancery Clerk has not reimbursed the County. If the amount remains unpaid within 30 days of the date of this report, the matter will be turned over to the Investigation Division for possible civil demand.

Repeat Finding: No.

Finding 7: Public Officials Should Ensure Compliance with State Law over County Depository for Land Redemption.

Applicable State Law: *Section 27-45-5, Mississippi Code Annotated (1972)* states, "It shall be the duty of the Chancery Clerk of each county in the state to immediately deposit in the county depository of his County all sums of money paid to him by any person for the redemption of land sold for taxes in his County; all such funds are hereby declared to be public funds and shall be secured by the County depository, as other public funds are required to be secured by law."

Section 27-105-5(6)(b), Mississippi Code Annotated (1972), requires that not later than thirty (30) days following its fiscal year-end, a public depositor shall notify the State Treasurer of its official name, address, federal tax number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year-end.

Finding Detail: The Chancery Clerk has not listed its land redemption account as a public account. In addition, the Chancery Clerk did not provide the land redemption account as a public depositor that was filed with the Office of the Mississippi State Treasurer. Failure to declare the land redemption account as a public depository violates the statute.

Recommendation: The Chancery Clerk should declare the land redemption account as a public account. This account should be included on the listing of public accounts submitted to The Office of the State Treasurer annually.

Official Response: This has been changed as of this time.

Repeat Finding: No.

Finding 8: Public Official Should Strengthen Internal Controls over Fee Account.

Internal Control Deficiency: An effective system of internal controls should include maintaining a fee journal to record all expenditures and revenue.

Finding Detail: During the review of Chancery Clerk's office, Auditors noted the following discrepancies:

- The fee journal was not adequately posted on a monthly basis. Due to the omission of controls, we noted erroneous amounts posted to the fee journal, along with miscalculations; and
- The Clerk inaccurately reported expenses of \$23,050 and revenues of \$6,950. Therefore, the Clerk's Annual Financial Report overstated expenditures of \$23,050 and revenues in the amount of \$6,590, which resulted in a net retirement wage subject to the cap of \$110,301.

Recommendation: The Chancery Clerk should strengthen controls to ensure all revenues and expenses are appropriately recorded in the proper period. Additionally, the Chancery Clerk should amend all previous Annual Financial Reports in which revenues and expenses were inappropriately recorded. The Clerk should repay the County \$16,460.

Official Response: As of this moment, the Chancery Clerk is working to correct the Annual Financial Report from 2013-2018. I will try to correct these issues within the next 60 days. This is the busiest time of the year for the office, and due to short staffing, I can work on it as fast as I can.

Auditor's Note: As of the issuance of this report, the Chancery Clerk has not reimbursed the County. If the amount remains unpaid within 30 days of the date of this report, the matter will be turned over to the Investigation Division.

Repeat Finding: No.

Circuit Clerk.

Finding 9: Public Officials Should Ensure Compliance with State Law over Bank Deposits.

Applicable State Law: *Section 25-1-72, Mississippi Code Annotated (1972)*, states, "All county officers who receive funds payable to the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."

Finding Detail: During testing of the Circuit Clerk's receipts, Auditors noted that ten (10) out of the ten (10) receipts tested, totaling \$2,554, were not deposited in a timely manner. The tested receipts ranged anywhere from five (5) to twenty (20) days late. Failure to make timely bank deposits could result in the loss or misappropriation of public funds.

Recommendation: The Circuit Clerk should strengthen controls to ensure bank deposits are made timely.

Official Response: Deposits will be made on the following day.

Repeat Finding: No.

Finding 10: Public Officials Should Strengthen Internal Controls over Accounting and Reconciling the Circuit Clerk's Fee Journal.

Internal Control Deficiency: An effective system of internal controls over Circuit Clerk fees should include the reconciliation of the cash balance in the Circuit Clerk's fee journal to the bank balances.

Finding Detail: During the review of Circuit Clerk's office, Auditors noted the following discrepancies:

- The fee journal was not correctly posted, and the bank statement was not reconciled to the fee journal monthly. Due to the omission of controls, we noted wrong amounts were posted to the fee journal, along with miscalculations and unreconciled balances; and
- The Clerk inaccurately reported less revenue on the annual financial report subject to the CAP to incorrectly reflect the payment to the County in the amount of \$4,031.

The Circuit Clerk lacks the proper internal controls necessary for maintaining a fee journal and reconciling the bank statements to the fee journal. This miscalculation increased the amount due to the County from \$665 to \$4,686 leaving the Circuit clerk to reimburse the County an additional **\$3,991**.

Recommendation: The Circuit Clerk should implement controls to ensure the fee journal is appropriately maintained and reconciled monthly to the bank account. Also, the Circuit Clerk should amend the 2018 Annual Financial Report and submit the amended form to the Mississippi Public Employees' Retirement System (PERS). The Circuit Clerk should make payment to the County for **\$4,031**.

Official Response: My response is that I do not agree with this noncompliance simply because internal auditors informed me that the County Court Youth Petitions were not subject to the CAP. The County pays me for these petitions on a different type of check, not a payroll check where taxes are taken out. Otherwise, I would not have ever purposely misappropriated that line item. Moving forward, I will make sure it is posted in the correct place.

Auditor's Note: The Circuit Clerk failed to include the Youth Court income on the Annual Financial Report. As of the issuance of this report, the Chancery Clerk has not reimbursed the County. If the amount remains unpaid within 30 days of the date of this report, the matter will be turned over to the Investigation Division for possible civil demand.

Repeat Finding: No.

Sheriff and Board of Supervisors.

Finding 11: Public Officials Should Ensure Compliance with State Law over Presentation of Meal Logs.

Applicable State Law: *Section 19-25-74, Mississippi Code Annotated (1972)*, states, "...the Sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted daily, which shall record the number of meals served to prisoners at each mealtime, and the hours of the day served, and shall make affidavit as to the correctness thereof and file the same monthly with the Board of Supervisors. Such log shall remain on file with the Board of Supervisors as other records of said Board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the Board of Supervisors for any month unless and until such log for that month is filed."

Finding Detail: During our review of the Sheriff's Department, it was noted that the Sheriff is not presenting a meal log of prisoners being fed at the jail to the Board of Supervisors as required by *Section 19-25-74*. Failure to present the meal log to the Board of Supervisors for monthly payment could result in the misappropriation of public funds by paying for an incorrect number of meals.

Recommendation: The Sheriff should strengthen controls to ensure the meal log is presented to the Board of Supervisors before meal expenses are approved through the claims docket.

Official Responses:

Sheriff: The meal log is kept at the jail. I will get with the Warden to present at the next board meeting.

Board of Supervisors: We will comply.

Repeat Finding: No.

Finding 12: Public Officials Should Ensure Compliance with State Law over the Purchase of Information and Evidence.

Applicable State Law: *Section 99-27-37, Mississippi Code Annotated (1972)*, states, "The Board of Supervisors... are hereby authorized and empowered to appropriate, from time to time, sums of money, not exceeding one-third ($\frac{1}{3}$) of the fines which have been collected by them respectively, from the unlawful sale or possession of intoxicating liquors and/or narcotics and/or other illegal drugs, for the purpose of defraying expenses incurred by law enforcement agencies in the procuring of evidence of violations of statutes or ordinances, as the case may be, against the unlawful sale or keeping of intoxicating liquors and/or narcotics and/or other illegal drugs." Furthermore, all receipts in the purchase of evidence should be properly filled-out, documented, and supported.

Finding Detail: As a result of procedures performed on the Yazoo County's Pipe funds of \$1,160, Auditors noted the Sheriff department only maintained one receipt in the purchase of evidence and information during the fiscal year. Failure to accurately record, document, and maintain receipts could result in invalid and unsupported transactions.

Recommendation: The Sheriff strengthen controls to ensure receipts used to purchase information and evidence is appropriately documented, recorded, and supported as required by state law.

Official Response: From this day forward, we will have checks and balances. Anything you all can propose to the department will be greatly appreciated.

Repeat Finding: No.

Finding 13: Public Officials Should Strengthen Controls to Ensure Adequate Segregation of Duties.

Applicable State Law: An effective system of internal controls over cash should include adequate segregation of duties.

Finding Detail: During the review of the Sheriff's questionnaire, we noted the same employee is responsible for the preparation of the settlement and making deposits for the Sheriff's office. Failure to implement controls over cash in the Sheriff's office could result in the loss or misappropriation of public funds.

Recommendation: The Sheriff should implement effective internal control policies to ensure there is proper segregation of duties surrounding monies collected, settled, and deposited within the Sheriff's Office.

Official Response: As of 7/26/19, *Employee I* will collect all money and make a deposit slip. *Employee II* will take the deposit slip to the bank and do the settlement report.

Repeat Finding: No.

Finding 14: Public Officials Should Ensure Compliance with State Law over Bank Deposits.

Applicable State Law: *Section 25-1-72, Mississippi Code Annotated (1972)*, states, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."

Finding Detail: As a result of procedures performed, we noted that the Sheriff's office is not making deposits in a timely manner. Failure to deposit funds on the same day when they are collected or on the next business day could result in the loss, misappropriation, fraud, waste, and abuse of public funds.

Recommendation: The Sheriff should implement effective internal controls to ensure that funds are deposited on the same day they are collected or on the next business day.

Official Response: I was unaware of a daily deposit or next business day deposit. Starting 7/26/19 forward, we will be making a deposit on a daily basis or next business day.

Repeat Finding: No.

Yazoo County responses to the findings included in this report were not audited, and accordingly, we express no opinion on them. Minor grammatical changes may have been made to responses in order to provide clarity. These changes did not change the substance of the Official Response.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the County and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



STEPHANIE C. PALMERTREE, CPA, CGMA
Director, Financial and Compliance Audit